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MMARS Policy: Payroll

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Mandatory and Voluntary Deductions: Savings Bonds

Executive Summary

The Savings Bond Plan is a voluntary plan that allows employees to authorize a post-tax deduction from their net pay to purchase U.S. Savings Bonds. Employees can purchase multiple bonds from a single deduction in the payroll system.

Considerations

This policy applies to all Commonwealth Branches and Departments.

Policy

Savings Bond Deductions:

- Are administered by the Office of the State Treasurer (UMS Treasurer for UMS);
- Are offered to all Commonwealth employees;
- Are available through an employee's payroll office;
- Are deducted in every biweekly pay period;
- Are available on a voluntary post-tax basis; and
- Require EE Savings Bond Form.

Types of Savings Bonds Offered

Currently, Series EE appreciation type bonds with face values of \$100, \$200, \$500 and \$1000 are available for purchase through the payroll system.

Beneficiary Designations

Employees can designate up to two beneficiaries or co-owners for each bond. The bonds that are purchased will be distributed to the owners in the sequence specified by the employee.

Missing Bonds

If an employee is missing a bond, they must contact his/her payroll Department to resolve the issue. There are specific forms to claim a missing bond, available from the Federal Reserve. It is the employee's responsibility to fill out and submit those forms to the Federal Reserve to process a missing bond claim.

Refunds

The State Treasurer's office (TRE) is responsible for issuing Savings Bond refunds to employees. Refunds are given when employees discontinue their participation in the Savings Bond program and an accrual balance remains that needs to be refunded. Savings Bond refunds can only be given to employees who are active in the payroll system and who do not currently have a savings bond deduction. TRE issues a refund check through HR/CMS and mails the check directly to the employee's home address. Requests for savings bond refunds must be submitted in writing to the State Treasurer's Office.

Savings Bond Forms can be found on the US Treasury website.

Internal Controls

Information Sources

- Related Procedure – None
- Legal Authority
 - Massachusetts General Laws, Chapter 7A, Sections 3, 7 and 8
 - Massachusetts General Laws, Chapter 154, Section 8
- Attachments - None
- Links - None
- [Contacts – CTR Help Desk](#)

- **November 1, 2006** – Removed language referencing Knowledge Center and updated relevant links to Mass.gov/osc portal site.